

Village of Kingston

Tuscola County, Michigan

Audited Financial Report
February 28, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Village of Kingston	County Tuscola County
Fiscal Year End February 28, 2006	Opinion Date June 21, 2006	Date Audit Report Submitted to State July 31, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.


We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Lehn L. King, C.P.A.		Telephone Number 989-635-3113	
Street Address 3531 Main Street		City Marlette	State MI
Authorizing CPA Signature 		Zip 48453	License Number A248781
Printed Name Lehn King			

Village of Kingston
Annual Financial Report
For The Fiscal Year Ended February 28, 2006

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Members of the Village Council
Village of Kingston
Tuscola County, Michigan

Independent Auditor's Report

I have examined the General Purpose Financial Statements of the Village of Kingston as of February 28, 2006, and for the year then ended, as listed in the Table of Contents. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Kingston, Michigan as of February 28, 2006 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

The Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Kingston, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 1, the Village has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of March 1, 2004.

Lehn King

Certified Public Accountant

June 21, 2006

Village of Kingston

Kingston, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the Village of Kingston's financial performance provides an overview of the Village's financial activities for the fiscal year ended February 28, 2006. Please read it in conjunction with the Village's financial statements.

Financial Highlights

The General Fund for the Village of Kingston had a fund balance of \$211,685, as of February 28, 2006. This gives the Village a healthy financial position for the General Fund.

Overall, the Village is in good financial position.

Using this Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No.34. GASB Statement 34 implements a new model of financial reporting for state and local governments designed to enhance the usefulness of the Village's annual report.

The Village as a Whole

The Village of Kingston's fund balances are as follows:

	February 28, 2006	February 28, 2005
General Fund	\$ 211,685	\$ 217,596
Major Streets Fund	97,121	90,530
Local Streets Fund	24,603	23,330
Municipal Streets Fund	86,146	75,026
Fire Fund	69,919	70,631
Total for Village	<u>\$ 489,474</u>	<u>\$ 477,113</u>

Village of Kingston

Kingston, Michigan

The Village as a Whole – Continued

The following table shows the changes of the net assets during the current year:

	<u>Governemntal</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u> <u>2005-2006</u>
Revenues			
Program Revenues:			
Charges for Services	\$ 91,153	\$ 75,725	\$ 166,878
Operating Grants & Cont's	50,697	-	50,697
General Revenues:			-
Property Taxes	76,299	9,139	85,438
State-Shared Revenues	95,134	-	95,134
Interest	5,099	2,388	7,487
Other Revenues	44,209	-	44,209
	<hr/>	<hr/>	<hr/>
Total Revenues	362,591	87,252	449,843
Program Expenses			
General Government	\$ 51,530	\$ -	\$ 51,530
Public Safety	131,412	-	131,412
Public Works	88,281	-	88,281
Recreation & Culture	19,158	-	19,158
Interest on Long-Term Debt	9,453	-	9,453
Water & Sewer	-	91,532	91,532
	<hr/>	<hr/>	<hr/>
Total Program Expenses	299,834	91,532	391,366
	<hr/>	<hr/>	<hr/>
Change in Net Assets	<u>\$ 62,757</u>	<u>\$ (4,280)</u>	<u>\$ 58,477</u>

Village of Kingston

Kingston, Michigan

Economic Factors and Next Year's Budget and Rates

The Village of Kingston's 2006/2007 is similar to the prior year's budget.

Contacting the Village

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Village office at the Village Hall 3655 Ross Street in Kingston, Michigan or by telephone at (989) 683-2680.

Arlo O. Ruggles
Village of Kingston President

Village of Kingston
Statement of Net Assets (Deficit)
February 28, 2006

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Totals
<u>Assets</u>			
Cash & Cash Equivalents	\$ 493,318.03	\$ 209,925.51	\$ 703,243.54
Accounts Receivable	1,580.00	8,431.60	10,011.60
Capital Assets			
Nondepreciable Capital Assets	-	15,000.00	15,000.00
Depreciable Capital Assets	466,464.55	475,593.51	942,058.06
 Total Assets	 961,362.58	 708,950.62	 1,670,313.20
<u>Liabilities</u>			
Accounts Payable	5,422.64	-	5,422.64
Current Portion of Long-Term Debt	12,503.24	-	12,503.24
Noncurrent Liabilities:			
Long-Term Debt	165,034.86	-	165,034.86
 Total Liabilities	 182,960.74	 -	 182,960.74
Net Assets (Deficit)			
Invested in Capital Assets - Net of			
Related Debt	288,926.45	490,593.51	779,519.96
Unrestricted	489,475.39	218,357.11	707,832.50
 Total Net Assets (Deficit)	 \$ 778,401.84	 \$ 708,950.62	 \$ 1,487,352.46

The notes are an integral part of the statements.

Village of Kingston
Statement of Activities
For the Year Ended February, 28, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Totals
Primary Government:							
Governmental Activities:							
General Government	\$ 51,530.08	\$ -	\$ -	\$ -	\$ (51,530.08)	\$ -	\$ (51,530.08)
Public Safety	131,412.49	91,152.74	-	50,697.00	10,437.25	-	10,437.25
Public Works	88,281.48	-	-	-	(88,281.48)	-	(88,281.48)
Recreation & Culture	19,158.42	-	-	-	(19,158.42)	-	(19,158.42)
Interest on Long-Term Debt	9,453.41	-	-	-	(9,453.41)	-	(9,453.41)
Total Governmental Activities	299,835.88	91,152.74	-	50,697.00	(157,986.14)	-	(157,986.14)
Business-type Activities	91,532.26	75,724.88	-	-	-	(15,807.38)	(15,807.38)
Total Primary Government	\$ 391,368.14	\$ 166,877.62	\$ -	\$ 50,697.00	\$ (157,986.14)	\$ (15,807.38)	\$ (173,793.52)
General Revenues:							
Property Taxes					\$ 76,298.86	\$ 9,138.55	\$ 85,437.41
State Shared Revenues					95,134.06	-	95,134.06
Interest					5,098.51	2,388.48	7,486.99
Other Revenues					44,208.62	-	44,208.62
Transfers					-	-	-
Total General Revenues, Special Items & Transfers					220,740.05	11,527.03	232,267.08
Change in Net Assets					62,753.91	(4,280.35)	58,473.56
Net Assets (Deficit) - Beginning of Year					715,647.93	713,230.97	1,428,878.90
Net Assets (Deficit) - End of Year					\$ 778,401.84	\$ 708,950.62	\$ 1,487,352.46

The notes are an integral part of the statements.

Village of Kingston

Balance Sheet
Governmental Funds
February 28, 2006

	General Fund	Major Streets Fund	Local Streets Fund	Municipal Streets Fund	Fire Fund	Total Governmental Funds
<u>Assets</u>						
Cash & Cash Equivalents	\$ 215,527.76	\$ 97,121.84	\$ 24,603.01	\$ 86,146.07	\$ 69,919.35	\$ 493,318.03
Accounts Receivable	1,580.00	-	-	-	-	1,580.00
Due From Other Funds	-	-	-	-	-	-
<u>Total Assets</u>	<u>\$ 217,107.76</u>	<u>\$ 97,121.84</u>	<u>\$ 24,603.01</u>	<u>\$ 86,146.07</u>	<u>\$ 69,919.35</u>	<u>\$ 494,898.03</u>
<u>Liabilities & Fund Equity</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 5,422.64	\$ -	\$ -	\$ -	\$ -	\$ 5,422.64
Due To Other Funds	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>5,422.64</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,422.64</u>
<u>Fund Equity</u>						
Fund Balances:						
Unreserved - Undesignated	211,685.12	97,121.84	24,603.01	86,146.07	69,919.35	489,475.39
<u>Total Fund Equity</u>	<u>211,685.12</u>	<u>97,121.84</u>	<u>24,603.01</u>	<u>86,146.07</u>	<u>69,919.35</u>	<u>489,475.39</u>
<u>Total Liab. & Fund Equity</u>	<u>\$ 217,107.76</u>	<u>\$ 97,121.84</u>	<u>\$ 24,603.01</u>	<u>\$ 86,146.07</u>	<u>\$ 69,919.35</u>	<u>\$ 494,898.03</u>

The notes are an integral part of the statements.

Village of Kingston
Governmental Funds
Reconciliation of Fund Balances to the
Statement of Net Assets (Deficit)
For The Year Ended February 28, 2006

Total Fund Balances for Governmental Funds & Equipment Fund	\$ 489,475.39
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Amounts reported for governmental activities in the statement of
net assets (deficit) are different because:

Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds	466,464.55
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Long-term bonds payable are not due and payable in the current period and are not reported in the Funds	<u>(177,538.10)</u>
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Net Assets of Governmental Activities	<u><u>\$ 778,401.84</u></u>
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The notes are an integral part of the statements.

Village of Kingston
Statement of Revenues, Expenditures
And Changes in Fund Balances
Governmental Funds
For The Year Ended February 28, 2006

	General Fund	Major Streets Fund	Local Streets Fund	Municipal Streets Fund	Fire Fund	Total Governmental Funds
<u>Revenues</u>						
Property Taxes	\$ 46,524.30	\$ -	\$ -	\$ 22,921.88	\$ 6,852.68	\$ 76,298.86
Intergovernmental Revenues	55,579.00	27,289.22	12,265.84	-	-	95,134.06
Charges for Services	20,407.75	-	-	-	49,770.00	70,177.75
Grant Proceeds	-	-	-	-	50,697.00	50,697.00
Interest Earnings	1,167.72	677.00	66.77	797.05	2,389.97	5,098.51
Other Revenues	58,302.65	-	-	-	6,880.96	65,183.61
<u>Total Revenues</u>	<u>181,981.42</u>	<u>27,966.22</u>	<u>12,332.61</u>	<u>23,718.93</u>	<u>116,590.61</u>	<u>362,589.79</u>
<u>Expenditures</u>						
General Government	50,730.08	-	-	-	-	50,730.08
Public Safety	66,221.75	-	-	-	42,189.88	108,411.63
Public Works	37,919.97	15,736.91	16,697.77	12,598.76	-	82,953.41
Recreation & Culture	19,158.42	-	-	-	-	19,158.42
Capital Outlay	13,862.50	-	-	-	53,750.00	67,612.50
Debt Service:						
Principal	-	-	-	-	11,908.98	11,908.98
Interest	-	-	-	-	9,453.41	9,453.41
<u>Total Expenditures</u>	<u>187,892.72</u>	<u>15,736.91</u>	<u>16,697.77</u>	<u>12,598.76</u>	<u>117,302.27</u>	<u>350,228.43</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>(5,911.30)</u>	<u>12,229.31</u>	<u>(4,365.16)</u>	<u>11,120.17</u>	<u>(711.66)</u>	<u>12,361.36</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In (Out)	-	(5,637.81)	5,637.81	-	-	-
<u>Net Change in Fund Balances</u>	<u>(5,911.30)</u>	<u>6,591.50</u>	<u>1,272.65</u>	<u>11,120.17</u>	<u>(711.66)</u>	<u>12,361.36</u>
<u>Fund Balances - Beginning of Year</u>	<u>217,596.42</u>	<u>90,530.34</u>	<u>23,330.36</u>	<u>75,025.90</u>	<u>70,631.01</u>	<u>477,114.03</u>
<u>Fund Balances - End of Year</u>	<u>\$ 211,685.12</u>	<u>\$ 97,121.84</u>	<u>\$ 24,603.01</u>	<u>\$ 86,146.07</u>	<u>\$ 69,919.35</u>	<u>\$ 489,475.39</u>

The notes are an integral part of the statements.

Village of Kingston
Governmental Funds
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended February 28, 2006

Net Change in Fund Balances - Total Governmental Funds & Equipment Fund \$ 12,361.36

Amounts reported for Governmental Activities in the Statement of
Activities are different because:

Governmental Funds report Capital Outlays as Expenditures
in the Statement of Activities, these costs are capitalized and
allocated over their estimated useful lives as Depreciation 67,612.50

Repayment of Bond Principal is an Expenditure in the Governmental
Funds, but not in the Statement of Activities (where it
reduces Long-Term Debt) 11,908.98

Depreciation is an Expenditure for the Statement of
Activities, but is not reported in the Governmental Funds (29,128.93)

Net Assets of Governmental Activities \$ 62,753.91

The notes are an integral part of the statements.

Village of Kingston
Statement of Net Assets (Deficit)
Proprietary Funds
February 28, 2006

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Sewer</u>	<u>Water</u>	<u>Enterprise</u>
<u>Assets</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>Current Assets</u>			
Cash & Cash Equivalents	\$ 178,576.54	\$ 31,348.97	\$ 209,925.51
Accounts Receivable	4,202.35	4,229.25	8,431.60
Due From Other Funds	-	-	-
<u>Total Current Assets</u>	182,778.89	35,578.22	218,357.11
<u>Noncurrent Assets</u>			
Capital Assets not being Depreciated	15,000.00	-	15,000.00
Capital Assets being Depreciated	622,443.60	412,966.82	1,035,410.42
Less: Accumulated Depreciation	(387,660.87)	(172,156.04)	(559,816.91)
<u>Total Noncurrent Assets</u>	<u>249,782.73</u>	<u>240,810.78</u>	<u>490,593.51</u>
Total Assets	432,561.62	276,389.00	708,950.62
<u>Liabilities</u>			
Total Liabilities	-	-	-
<u>Net Assets</u>			
Invested in Capital Assets Net of Related Debt	249,782.73	240,810.78	490,593.51
Unrestricted	182,778.89	35,578.22	218,357.11
<u>Total Net Assets</u>	<u>\$ 432,561.62</u>	<u>\$ 276,389.00</u>	<u>\$ 708,950.62</u>

Village of Kingston
Statement of Revenues, Expenses, And Changes in Net Assets
Proprietary Funds
February 28, 2006

	Enterprise Funds		Total
	Sewer Fund	Water Fund	Enterprise Funds
<u>Operating Revenues</u>			
User Charges & Penalties	\$ 37,690.69	\$ 37,859.19	\$ 75,549.88
Property Taxes	-	9,138.55	9,138.55
Service Connection Charges	-	175.00	175.00
 <u>Total Operating Revenues</u>	 37,690.69	 47,172.74	 84,863.43
 <u>Operating Expenses</u>			
Operation & Maintenance	20,678.67	40,904.92	61,583.59
General & Administration	5,722.90	445.86	6,168.76
Depreciation	12,448.87	11,331.04	23,779.91
 <u>Total Operating Expenses</u>	 38,850.44	 52,681.82	 91,532.26
 <u>Operating Income (Loss)</u>	 (1,159.75)	 (5,509.08)	 (6,668.83)
 <u>Nonoperating Revenues (Expenses)</u>			
Interest Earned	2,134.50	253.98	2,388.48
Transfers From (To) Other Funds	-	-	-
 Change in Net Assets	 974.75	 (5,255.10)	 (4,280.35)
 <u>Net Assets - Beginning of Year</u>	 431,586.87	 281,644.10	 713,230.97
 <u>Net Assets - End of Year</u>	 \$ 432,561.62	 \$ 276,389.00	 \$ 708,950.62

Village of Kingston
Statement of Cash Flows
Proprietary Funds
For The Year Ended February 28, 2006

	Enterprise Funds		Total
	Sewer Fund	Water Fund	Enterprise Funds
<u>Cash Flow From Operating Activities</u>			
Receipts from Customers	\$ 36,087.48	\$ 45,558.88	\$ 81,646.36
Payments for Operation, Maintenance, & Water	(20,678.67)	(40,904.92)	(61,583.59)
Payments for General & Administration	(5,722.90)	(445.86)	(6,168.76)
<u>Net Cash Provided by Operating Activity</u>	9,685.91	4,208.10	13,894.01
<u>Cash Flows from Noncapital Financing Activities</u>			
Operating Transfers In (Out)	-	-	-
Received "Due From Other Funds"	-	(20,000.00)	(20,000.00)
<u>Net Cash Provided by Noncapital Financing Activities</u>	-	(20,000.00)	(20,000.00)
<u>Cash Flows from Capital & Related Financing Activities</u>			
Interest Expense	-	-	-
<u>Net Cash Provided by Capital & Related Financing Activities</u>	-	-	-
<u>Cash Flows From Investing Activities</u>			
Interest received on Investments	2,134.50	253.98	2,388.48
<u>Net Increase (Decrease) in Cash & Cash Equivalents</u>	11,820.41	(15,537.92)	(3,717.51)
<u>Cash & Cash Equivalents - Beginning of Year</u>	166,756.13	46,886.89	213,643.02
<u>Cash & Cash Equivalents - End of Year</u>	<u>\$ 178,576.54</u>	<u>\$ 31,348.97</u>	<u>\$ 209,925.51</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</u>			
Operating Income (Loss)	(1,159.75)	(5,509.08)	(6,668.83)
Adjustments to Reconcile Operating Income (Loss) from Operating Activities:			
Depreciation	12,448.87	11,331.04	23,779.91
Changes in Assets & Liabilities:			
Receivables	(1,603.21)	(1,613.86)	(3,217.07)
Accounts Payable	-	-	-
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 9,685.91</u>	<u>\$ 4,208.10</u>	<u>\$ 13,894.01</u>

Village of Kingston
Notes to the Financial Statements
For The Year Ended February 28, 2006

The accounting methods and procedures adopted by the Village of Kingston, Tuscola County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Villages Comprehensive Annual Financial Report.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Village operates under a Council-President form of government and provides the following services: public safety, highways and streets, sanitation, recreation, public improvements, planning and zoning and general administrative services. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Village of Kingston (the primary government).

Government-wide and Fund Statements Fund

The Government-wide Financial Statements (i.e., the Statement of Net Assets (Deficit) and the Statement of Activities) report information on all the nonfiduciary activities of the Village (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund - The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Major Streets Fund – The Major Streets Fund accounts for maintenance and improvement activities for streets designated as “major” within the Village. Funding is provided primarily through State-shared gas and weight taxes.

Local Streets Fund – The Local Streets Fund accounts for maintenance and improvement activities for streets designated as “local” within the Village. Funding is provided primarily through State-shared gas and weight taxes.

Municipal Streets Fund – The Municipal Street Fund accounts for maintenance and utilities for streetlights within the Village. Funding is provided primarily through a County and millage.

Fire Fund – The Fire Fund accounts for the fire protection and emergency response services. Funding is provided primarily through fire run fees, standby fees and grant proceeds.

Village of Kingston
Notes to the Financial Statements
For The Year Ended February 28, 2006

The Village reports the following major Enterprise Funds & Internal Service Fund:

Water Fund - The Water Fund accounts for the activities of the water distribution system. Funding is provided primarily through user charges.

Sewer Fund - The Sewer Fund accounts for the activities of the sewage disposal system. Funding is provided primarily through user charges.

Measurement Focus and Basis of Accounting

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services, and interest. All other revenue items are considered to be available only when cash is received by the Village. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

Cash - The Village pools cash resources of its various funds to facilitate the management of cash. However, cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Village's investments.

Investments - Debt securities are valued at cost since it is generally the policy of the Village to hold such investments until they mature.

Due to and Due from Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Property Tax Revenues - Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

Vacation, Sick Leave, & Other Compensated Absences - The Village has an agreement with the employees in the department of public works, the clerk and treasurer that require the payment of compensation during absence from duty. Each employee has a different agreement as to the amount of days that accumulate for vacation and sick leave. If the employees have days that are unused at the end of the fiscal year, the days are forfeited.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when purchased. Inventories and supplies held by the Water Fund and the Sewer Fund, which are immaterial in amount, have not been recognized. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both Government-wide and Fund Financial Statements.

Village of Kingston
Notes to the Financial Statements
For The Year Ended February 28, 2006

Capital Assets - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Village as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Infrastructure	40 years
Water & Sewer Distribution Systems	20 to 75 years
Buildings & Building Improvements	20 to 40 years
Machinery & Equipment	3 to 20 years

Long-Term Obligations - In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Accounting Changes

GASB Statement No. 34 – Effective March 1, 2004, the Village implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Village's financial statements as a result of GASB No. 34 are as follows:

- A management's discussion and analysis (MD&A) section providing analysis of the Village's overall financial position and results of operations has been included.
- Government-wide Financial Statements (statement of net assets (deficit) and statement of activities) prepared using full accrual accounting for all of the Village's activities have been provided.
- Capital assets in the governmental activities column of the statement of net assets (deficit) includes assets not previously accounted for by the Village as well as assets previously reported in the General Fixed Assets Account Group. In addition, the governmental activities column includes bonds and other long-term obligations previously reported in the General Long-term Debt Account Group.
- The fund financial statements focus on major funds rather than fund types.

Village of Kingston
Notes to the Financial Statements
For The Year Ended February 28, 2006

2. Stewardship, Compliance, and Accountability

Budgetary Information

The Village is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Budgets must be adopted for the General Fund and Special Revenue Funds, Debt Service Funds, Capital Project Funds.
2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.
3. The budgets must be amended when necessary.
4. Debt cannot be entered into unless permitted by law.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures cannot be made unless authorized in the budget.
7. Public hearings must be held before budget adoptions.

In the body of the financial statements, the Village actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Village Council as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis, which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level. Budgets for the General Fund and the major Special Revenue Funds are presented in the required supplemental information.

During the year ended February 28, 2006, the Village incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
NONE			

Village of Kingston
Notes to the Financial Statements
For The Year Ended February 28, 2006

3. Cash and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Village Council has designated four banks for the deposit of Village funds. There was no investment policy adopted by the Council in accordance with Public Act 196 of 1997. The Council has authorized investment in bank accounts and CDs, but not the remainder of State statutory authority as listed above. The Village's deposits are in accordance with statutory authority. All cash deposits and investments of the Village are held by the Village in the Village's name.

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Cash & Cash Equivalents	\$ 493,318	\$ 209,926	\$ 703,244

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 703,244

The bank balance of the primary government's deposits is \$703,244, of which \$276,583 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Village's name.

Village of Kingston
Notes to the Financial Statements
For The Year Ended February 28, 2006

3. Cash and Investments - Continued

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

	Category			Carrying
	(1)	(2)	(3)	Value
Investments	<u>\$ NONE</u>	<u>\$ NONE</u>	<u>\$ NONE</u>	<u>\$ NONE</u>

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1	Insured or registered, or securities held by the Village or its agent in the Village's name.
Category 2	Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name.
Category 3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name.

4. Property Taxes

The Village is responsible for collecting and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of July of the levy year and may be paid by the following October 1.

Property taxes are recognized in compliance with NCGAI-3, which states that such revenue is recorded when it becomes measurable and available.

The Village levied the following taxes:

Operating	8.8974	mills
Highway	4.0037	mills
Fire	1.3343	mills
Water	<u>1.7793</u>	mills
Total	<u>16.0147</u>	

5. Deficit Fund Balance of Individual Funds

None

Village of Kingston
Notes to the Financial Statements
For The Year Ended February 28, 2006

6. Capital Assets

Capital Assets activity of the Village's governmental activities (and business-type) was as follows:

	Balance March 1, 2005	Additions	Disposals & Adjustments	Balance February 28, 2006
Governmental Activities:				
Capital Assets Being Depreciated:				
Infrastructure	\$ 147,068	\$ -	\$ -	\$ 147,068
Buildings & Building Improvements	40,000	-	-	40,000
Machinery & Equipment	319,923	67,213	-	387,136
Total Capital Assets being Depreciated	506,991	67,213	-	574,204
Accumulated Depreciation:				
Infrastructure	9,625	3,677	-	13,302
Buildings & Building Improvements	26,000	800	-	26,800
Machinery & Equipment	43,385	24,652	-	68,037
Total Accumulated Depreciation	79,010	29,129	-	108,139
Net Capital Assets	\$ 427,981	\$ 38,084	\$ -	\$ 466,065
Business-type Activities:				
Capital Assets not being Depreciated - Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Capital Assets Being Depreciated:				
Sewage Treatment Plant	622,444	-	-	622,444
Water Distribution System	412,967	-	-	412,967
Total Capital Assets being Depreciated	1,035,411	-	-	1,035,411
Accumulated Depreciation:				
Sewage Treatment Plant	375,212	12,449	-	387,661
Water Distribution System	160,825	11,331	-	172,156
Total Accumulated Depreciation	536,037	23,780	-	559,817
Net Capital Assets	\$ 514,374	\$ (23,780)	\$ -	\$ 490,594

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 800
Public Safety	23,001
Public Works	5,328
Total Governmental Activities	<u>\$ 29,129</u>
Business-type Activities:	
Sewer Fund	\$ 12,449
Water Fund	11,331
Total Business-type Activities	<u>\$ 23,780</u>

Village of Kingston
Notes to the Financial Statements
For The Year Ended February 28, 2006

7. Interfund Receivables, Payables, & Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “Due from other funds” or “Due to other funds” on the balance sheet.

Interfund Transfers reported in the Fund Statements are as follows:

	Transferred From		Transferred To
Major Streets Fund	\$ 5,638	Local Streets Fund	\$ 5,638
Total	<u>\$ 5,638</u>		<u>\$ 5,638</u>

8. Long-Term Debt

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Governmental Activities						
General Obligation Bonds & Contracts						
Spencer Model TM 1500 / FL - 80 Pumper						
Amount of Issue - \$246,281		\$10,339 -				
Maturing through 2017	4.99%	\$20,283	\$ 189,447	\$ (11,909)	\$ 177,538	\$ 12,503
Total Governmental Activities			<u>\$ 189,447</u>	<u>\$ (11,909)</u>	<u>\$ 177,538</u>	<u>\$ 12,503</u>

Annual debt service requirements to maturity for the above governmental bond and contract obligations are as follows:

Years Ending February 28,	Governmental Activities		
	Principal	Interest	Total
2007	\$ 12,503	\$ 8,859	\$ 21,362
2008	13,127	8,235	21,362
2009	13,782	7,580	21,362
2010	14,470	6,892	21,362
2011	15,192	6,170	21,362
2012-2017	<u>108,464</u>	<u>19,709</u>	<u>128,173</u>
Total	<u>\$ 177,538</u>	<u>\$ 57,445</u>	<u>\$ 234,983</u>

Village of Kingston
Notes to the Financial Statements
For The Year Ended February 28, 2006

9. Post Employment Benefits

The Village does not provide any post employment benefits.

10. Risk Management

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Village has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

Required Supplemental Information

Village of Kingston
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For The Year Ended February 28, 2006

<u>Revenues</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Current Property Tax	\$ 46,500.00	\$ 45,000.00	\$ 46,524.30	\$ 1,524.30
State Shared Revenue	55,600.00	55,000.00	55,579.00	579.00
Charges for Services	20,500.00	19,800.00	20,407.75	607.75
Interest Earnings	1,090.00	1,080.00	1,167.72	87.72
<u>Miscellaneous Revenue</u>				
Ordinance Fines	250.00	40.00	43.23	3.23
Vehicle Inspection Fees	12,075.00	20,675.00	20,931.76	256.76
Donations	1,706.00	3,579.00	3,832.99	253.99
Hall & Tower Rent	2,525.00	2,125.00	2,125.00	-
Cable TV Franchise Fee	900.00	900.00	900.00	-
Equipment Rental	24,170.00	23,580.00	24,166.15	586.15
Reimbursements & Miscellaneous	3,045.00	5,765.00	6,303.52	538.52
<u>Total Miscellaneous Revenues</u>	<u>44,671.00</u>	<u>56,664.00</u>	<u>58,302.65</u>	<u>1,638.65</u>
<u>Total Revenues</u>	<u>\$ 168,361.00</u>	<u>\$ 177,544.00</u>	<u>\$ 181,981.42</u>	<u>\$ 4,437.42</u>

Village of Kingston
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For The Year Ended February 28, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Expenditures</u>				
<u>General Government</u>				
Legislative	\$ 14,628.00	\$ 16,797.00	\$ 16,447.45	\$ 349.55
Village Clerk	23,104.00	25,994.00	24,379.74	1,614.26
Treasurer	4,547.00	4,102.00	3,706.64	395.36
Village Hall & Grounds	6,357.00	5,416.00	4,495.40	920.60
Elections	-	-	-	-
General Administration	1,700.00	1,699.73	1,128.03	571.70
Cemetery	1,169.00	969.00	572.82	396.18
<u>Total General Government</u>	<u>51,505.00</u>	<u>54,977.73</u>	<u>50,730.08</u>	<u>4,247.65</u>
<u>Public Safety</u>				
Crossing Guard	3,550.00	4,088.00	2,810.85	1,277.15
Police	50,390.00	49,476.11	47,390.20	2,085.91
Sanitation	16,250.00	16,000.00	15,840.70	159.30
Zoning & Master Plan	910.00	250.00	180.00	70.00
<u>Total Public Safety</u>	<u>71,100.00</u>	<u>69,814.11</u>	<u>66,221.75</u>	<u>3,592.36</u>
<u>Public Works</u>				
Department of Public Works	41,068.00	38,192.75	37,919.97	272.78
<u>Total Public Works</u>	<u>41,068.00</u>	<u>38,192.75</u>	<u>37,919.97</u>	<u>272.78</u>
<u>Recreation & Culture</u>	<u>87,967.00</u>	<u>20,300.00</u>	<u>19,158.42</u>	<u>1,141.58</u>
<u>Capital Outlay</u>	<u>30,750.00</u>	<u>16,510.00</u>	<u>13,862.50</u>	<u>2,647.50</u>
<u>Total Expenditures</u>	<u>282,390.00</u>	<u>199,794.59</u>	<u>187,892.72</u>	<u>11,901.87</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	(114,029.00)	(22,250.59)	(5,911.30)	16,339.29
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	(114,029.00)	(22,250.59)	(5,911.30)	16,339.29
<u>Fund Balance - Beginning of Year</u>	-	-	217,596.42	217,596.42
<u>Fund Balance - End of Year</u>	<u>\$ (114,029.00)</u>	<u>\$ (22,250.59)</u>	<u>\$ 211,685.12</u>	<u>\$ 233,935.71</u>

Village of Kingston
Required Supplemental Information
Budgetary Comparison Schedule
Major Street Fund
For The Year Ended February 28, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Intergovernmental Revenues	\$ 28,250.00	\$ 27,000.00	\$ 27,289.22	\$ 289.22
Interest Earnings	765.00	440.00	677.00	237.00
<u>Total Revenues</u>	<u>29,015.00</u>	<u>27,440.00</u>	<u>27,966.22</u>	<u>526.22</u>
<u>Expenditures</u>				
Administration	807.00	732.00	598.71	133.29
Routine Maintenance	12,867.00	10,124.50	8,822.68	1,301.82
Snow & Ice Removal	6,365.00	6,645.00	6,315.52	329.48
<u>Total Expenditures</u>	<u>20,039.00</u>	<u>17,501.50</u>	<u>15,736.91</u>	<u>1,764.59</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	8,976.00	9,938.50	12,229.31	2,290.81
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	(5,875.00)	(5,638.00)	(5,637.81)	0.19
<u>Net Change in Fund Balance</u>	3,101.00	4,300.50	6,591.50	2,291.00
<u>Fund Balance - Beginning of Year</u>	-	-	90,530.34	90,530.34
<u>Fund Balance - End of Year</u>	<u>\$ 3,101.00</u>	<u>\$ 4,300.50</u>	<u>\$ 97,121.84</u>	<u>\$ 92,821.34</u>

Village of Kingston
Required Supplemental Information
Budgetary Comparison Schedule
Local Street Fund
For The Year Ended February 28, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Intergovernmental Revenues	\$ 12,740.00	\$ 11,735.00	\$ 12,265.84	\$ 530.84
Interest Earnings	49.00	65.00	66.77	1.77
Other Revenues	-	-	-	-
<u>Total Revenues</u>	<u>12,789.00</u>	<u>11,800.00</u>	<u>12,332.61</u>	<u>532.61</u>
<u>Expenditures</u>				
Administration	690.00	690.00	598.70	91.30
Routine Maintenance	29,025.00	9,133.95	8,418.94	715.01
Traffic Services	-	-	-	-
Snow & Ice Removal	8,053.00	7,994.15	7,680.13	314.02
<u>Total Expenditures</u>	<u>37,768.00</u>	<u>17,818.10</u>	<u>16,697.77</u>	<u>1,120.33</u>
<u>Excess of Revenues Over (Under) Expenditure:</u>	(24,979.00)	(6,018.10)	(4,365.16)	1,652.94
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	5,875.00	5,636.00	5,637.81	1.81
<u>Net Change in Fund Balance</u>	(19,104.00)	(382.10)	1,272.65	1,654.75
<u>Fund Balance - Beginning of Year</u>	-	-	23,330.36	23,330.36
<u>Fund Balance - End of Year</u>	\$ (19,104.00)	\$ (382.10)	\$ 24,603.01	\$ 24,985.11

Village of Kingston
Required Supplemental Information
Budgetary Comparison Schedule
Municipal Streets Fund
For The Year Ended February 28, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Property Taxes	\$ 22,850.00	\$ 22,200.00	\$ 22,921.88	\$ 721.88
Interest Earnings	751.00	745.00	797.05	52.05
<u>Total Revenues</u>	23,601.00	22,945.00	23,718.93	773.93
<u>Expenditures</u>				
Administration	116.00	111.00	85.25	25.75
Street Lights	15,535.00	12,035.00	11,683.89	351.11
Repairs & Maintenance	369.00	839.00	829.62	9.38
<u>Total Expenditures</u>	16,020.00	12,985.00	12,598.76	386.24
<u>Excess of Revenues Over (Under) Expenditures</u>	7,581.00	9,960.00	11,120.17	1,160.17
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	-	-	-	-
<u>Net Change in Fund Balance</u>	7,581.00	9,960.00	11,120.17	1,160.17
<u>Fund Balance - Beginning of Year</u>	-	-	75,025.90	75,025.90
<u>Fund Balance - End of Year</u>	\$ 7,581.00	\$ 9,960.00	\$ 86,146.07	\$ 76,186.07

Village of Kingston
Required Supplemental Information
Budgetary Comparison Schedule
Fire Fund
For The Year Ended February 28, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Property Taxes	\$ 6,800.00	\$ 6,660.00	\$ 6,852.68	\$ 192.68
Charges for Services	45,350.00	49,300.00	49,770.00	470.00
Grant Proceeds	-	50,000.00	50,697.00	697.00
Donations	3,400.00	4,075.00	4,242.96	167.96
Interest Earnings	726.00	815.00	2,389.97	1,574.97
Other Revenues	2,700.00	2,610.00	2,638.00	28.00
<u>Total Revenues</u>	58,976.00	113,460.00	116,590.61	3,130.61
<u>Expenditures</u>				
Salaries, Wages & FICA	26,947.00	15,657.00	14,876.20	780.80
Operating Supplies	6,550.00	6,400.00	5,827.90	572.10
Repairs & Maintenance	8,100.00	5,350.00	4,784.10	565.90
Fire Training	1,550.00	650.00	630.00	20.00
Insurance	8,000.00	7,600.00	6,899.63	700.37
Public Utilities	5,400.00	4,273.00	3,726.28	546.72
Miscellaneous	6,685.00	6,013.63	5,445.77	567.86
Capital Outlay	5,000.00	54,700.00	53,750.00	950.00
Debt Service - Principal	11,945.00	11,945.00	11,908.98	36.02
Debt Service - Interest	9,455.00	9,455.00	9,453.41	1.59
<u>Total Expenditures</u>	89,632.00	122,043.63	117,302.27	4,741.36
<u>Excess of Revenues Over (Under) Expenditures</u>	(30,656.00)	(8,583.63)	(711.66)	7,871.97
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	-	-	-	-
<u>Net Change in Fund Balance</u>	(30,656.00)	(8,583.63)	(711.66)	7,871.97
<u>Fund Balance - Beginning of Year</u>	-	-	70,631.01	70,631.01
<u>Fund Balance - End of Year</u>	\$ (30,656.00)	\$ (8,583.63)	\$ 69,919.35	\$ 78,502.98

Other Supplemental Information

Village of Kingston
Other Supplemental Information
Schedule of Indebtedness
February 28, 2006

Loan Payable - Popular North America
Spencer Model TM 1500 / FL - 80 Pumper

Dated: November 8, 2002
Original Issue \$246,281

<u>Interest Rate</u>	<u>Contract Due For The Year Ending</u>	<u>Principal Outstanding March 31,</u>		<u>Annual Interest Payable</u>
		<u>2006</u>	<u>2005</u>	
4.99%	1/15/2006	\$ -	\$ 11,908.98	\$ 9,453.41
4.99%	1/15/2007	12,503.24	12,503.24	8,859.15
4.99%	1/15/2008	13,127.15	13,127.15	8,235.24
4.99%	1/15/2009	13,782.20	13,782.20	7,580.19
4.99%	1/15/2010	14,469.93	14,469.93	6,892.46
4.99%	1/15/2011	15,191.98	15,191.98	6,170.41
4.99%	1/15/2012	15,950.06	15,950.06	5,412.33
4.99%	1/15/2013	16,745.96	16,745.96	4,616.43
4.99%	1/15/2014	17,581.59	17,581.59	3,780.80
4.99%	1/15/2015	18,458.91	18,458.91	2,903.48
4.99%	1/15/2016	19,380.01	19,380.01	1,982.38
4.99%	1/15/2017	20,347.07	20,347.07	1,015.32
<u>Total Loan Payable</u>		<u>\$ 177,538.10</u>	<u>\$ 189,447.08</u>	<u>\$ 66,901.60</u>